



DEPARTMENT OF THE ARMY
INSTALLATION MANAGEMENT COMMAND
HEADQUARTERS, U.S. ARMY GARRISON, FORT RICHARDSON (PROV)
724 POSTAL SERVICE LOOP #6000
FORT RICHARDSON, ALASKA 99505-6000

IMPC-FRA-ZA

30 January 2006

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: United States Army Garrison, Alaska (USAG-AK) Management Control Program (USAG-AK-16)

1. **PURPOSE.** This policy prescribes responsibilities, procedure, and guidance for implementation of the Army's Management Control Process at USAG-AK.
2. **APPLICABILITY.** This policy statement applies to directors and managers at all levels of units, organizations, and activities of the active Army, assigned or attached to USAG-AK. It remains in effect during all levels of mobilization. Tenant activities who report management control data to their parent command are exempt from reporting requirements of this policy.
3. **REFERENCES.**
 - a. Federal Managers' Integrity Act of 1982 (the Integrity Act).
 - b. Office of Management and Budget (OMB) Circular A-123, Management Accountability and Control, revised 21 Jun 95.
 - c. General Accounting Office Standards for Internal Control in the Federal Government, GAO/AIMD-00-21-3.1, Nov 99.
 - d. Department of Defense Directive 5010.38, Management Control Program, 26 Aug 96.
 - e. Army Regulation (AR) 11-2, Management Control (MC), 1 Aug 94.
 - f. USAG-AK Management Control Program (MCP) Handbook, Jan 07.
4. **GENERAL.**
 - a. Every director and manager has a vested interest in effective management controls – the rules, procedures, techniques, and devices employed by managers to ensure what should occur in their operations, does occur, on a continuing basis. Management controls are embedded in the statutes, policy directives, and detailed

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procedures that govern our operations. Management problems and the vast majority of audit and inspection findings have, at their root, a management control failure of some kind. When properly implemented, management controls provide reasonable assurance to the management team. Daily practice and procedures make sense and properly safeguard entrusted resources from fraud, waste, abuse, or loss.

b. Every Army manager is responsible for ensuring management controls are in compliance with GAO Standards for Internal Control in the Federal Government (Federal Managers' Financial Integrity Act of 1982). The standards are as follows:

(1) Control Environment. Management and employees should establish and maintain an environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management.

(2) Risk Assessment. Internal control should provide an assessment of the inherent risks agencies face from both external and internal sources.

(3) Control Activities. Internal Control activities help to ensure management directives are carried out. The control activities should be effective and efficient in accomplishing the agency's control objectives.

(4) Information and Communications. Information should be recorded and communicated to management and others within the entity, in a form, and within a time frame that enable them to carry out their internal control and other responsibilities.

(5) Monitoring. Internal control monitoring should assess the quality of performance over time and ensure that audit findings and reviews are promptly resolved.

5. POLICIES, PROCEDURES, AND EXECUTION.

a. Designate Assessable Unit Managers (AUMs) within USAG-AK according to the roster at Enclosure 1.

b. Develop a single, Garrison-wide, MCP for USAG-AK identifying functional areas for evaluation, the AUM responsible for conducting the evaluation, when the evaluation is to be conducted over a five-year period, and governing ARs. Keep the MCP current and monitor progress to ensure all management control evaluations are conducted as scheduled. Directors and managers will coordinate the MCP with other HQ Installation Management Command/Region/Garrison oversight processes, such as the annual

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internal Review Plan, the Command Inspection Program (CIP), and Organizational Inspection Program, where appropriate.

c. The chain of command will encourage the prompt and full disclosure of material weaknesses discovered as part of management control evaluations and ensure directors and managers are not penalized for reporting those weaknesses. Regardless of who, or how, the material weakness is discovered, the organization responsible for responding to the finding will initiate the material weakness report.

d. Ensure the management control responsibilities of AUMs, senior functional leaders, and key management officials are documented in the support forms of their performance agreements. Directors and managers may choose whether or not to include management control responsibilities in performance agreements for personnel below the AUM level.

6. RESPONSIBILITIES. In addition to the responsibilities identified in AR 11-2, the:

a. Garrison Commander will:

(1) Ensure the management control process is effectively implemented within all functions of the Garrison.

(2) Designate the Director of Resource Management (DRM) as proponent for administration of the management control process within USAG-AK.

(3) Sign and submit a written Annual Statement of Assurance (ASA) on Management Controls to the Commander, Pacific Area Region Office (PARO), Installation Management Command (IMCOM). This statement certifies the status of management controls within USAG-AK, and identifies any material weaknesses with a plan for corrective action.

(4) Ensure directors and managers maintain and report management controls in accordance with public law, Army regulations, instructions from higher headquarters, and this policy statement.

b. Internal Review Office (IRO) will:

(1) Convey findings of potential/actual material weakness within the organization being audited to the USAG-AK Management Control Administrator (MCA); and make

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recommendations on whether material weaknesses merit reporting to PARO, or IMCOM, and validate whether corrective actions have in fact, resolved the weakness. The validation process should include date of the CIP review, management follow-up of findings, command evaluations, and actions taken to correct material weaknesses. Material weaknesses are not to be close until the validation milestone have been met.

(2) Review the USAG-AK GC's ASA on Management Controls including feeder statements from AUMs for thoroughness and validity.

(3) Coordinate with outside agencies such as the United States Army Audit Agency (USAAA) and the GAO, as mandated by AR 11-2.

(4) Provide technical advice, assistance and consultation on management controls to AUMs.

(5) During the normal course of audits, evaluate the effectiveness of management controls, adequacy of management control evaluations, and actions taken to correct material weaknesses.

(6) During the normal course of inspections, review applicable management control documentation to determine if policies, standards, and requirements have been met and make appropriate recommendations. All inspections of management control issues are a component of Command Inspections, Staff Inspections, or Inspector General (IG) inspections in accordance with AR 1-201 (Army Inspection Policy).

c. Director of Resource Management (DRM) will serve as USAG-AK proponent for implementation and administration of the management control process within the Garrison. The DRM will designate, from existing resources, an individual to serve as the USAG-AK MCA.

d. USAG-AK MCA will:

(1) Serve as focal point and subject matter expert on all management control matters.

(2) Advise the senior responsible official on the implementation and status of the organization's MCP.

(3) Keep the GC and directors informed on management control matters.

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(4) Develop, maintain, and publish a five-year USAG-AK MCP identifying functional areas for evaluation, the AUM responsible for conducting the evaluation, when the evaluation is to be conducted, and governing ARs.

(5) Develop and maintain a roster of USAG-AK AUMs (Enclosure 1).

(6) Issue guidance for the GC's Annual Statement of Assurance on Management Control and AUMs feeder statements.

(7) Ensure management control evaluation results are certified, using DA 11-2-R, by AUMs.

(8) Ensure material weaknesses for which the Garrison is responsible are tracked until corrected.

(9) Identify the organization's requirements for management control training and provide training.

(10) Retain all required documentation in support of annual statements and the correction of material weaknesses.

e. The senior functional military/civilian manager within each of USAG-AK's major functional activities (e.g., DOL, DPW, DMWR, DRM, etc.) will:

(1) Be designated as AUMs for each of their respective organizations.

(2) Ensure management control responsibilities are written into their job performance standards.

(3) Understand and apply the Comptroller General Standards for Management Control in the Federal Government (reference 3c above).

(4) Ensure the five-year MCP, developed and maintained by the USAG-AK MCA, accurately reflects responsibility and milestones for the assessable units to be evaluated.

(5) Review the inventory of functions requiring evaluation, and identify those that are applicable to their functional activity.

(6) Identify other areas the functional activity wants to evaluate, if required.

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(7) Conduct formal evaluations of key management controls at least once every five years.

(8) AUMs may use HQDA developed management control evaluation checklists, as published in their governing AR or, as an alternative and where feasible, any existing management review process that meets the basic requirements of the AR and a management control evaluation. This assessment will be based on the actual testing of key management controls and must be supported by specific documentation regardless of the method used to conduct the evaluation; (i.e., the individual(s) who conducted the evaluation and the date, the methods used to test the controls, any deficiencies detected, and the corrective action taken).

(9) AUMs will be directly involved in the evaluation of their management controls. While others may do the detailed work of the evaluation, the AUM will certify the accomplishment of management controls and evaluation/approval of the results.

(10) Determine whether a weakness in management controls is, or is not, material. If material, ensure documentation is included in the AUM's ASA on Management Controls.

(11) Develop an implementation plan to correct material weaknesses within a reasonable time frame.

(12) Track progress in executing those plans, complete a mid-year report, and continue report until the material weakness is corrected.

(13) Sign and submit a written feeder ASA through DRM to GC, USAG-AK certifying the status of management controls within your organization and/or area of responsibility, to include material weaknesses and plans for corrective action.

(14) Certify a required management control evaluation was conducted on DA Form 11-2-R (Management Control Evaluation Certification Statement).

(15) Retain all required documents in support of the AUM's ASA and the correction of material weaknesses.

(16) Provide the leadership and support needed to ensure that management controls are in place and operating effectively. AUMs will ensure all subordinate managers are cognizant of the importance of safeguarding resources and have a working knowledge of management controls.

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(17) At your discretion, designate a point of contact for management controls from your organization to the USAG-AK MCA.

(18) Complete training as outlined by the USAG-AK MCP Memorandum of Instruction.

f. All assigned USAG-AK personnel, as stewards of taxpayer financed resources, will, within their limits of authority and responsibility:

(1) Display a high level of commitment towards mission accomplishment and the safeguard of resources entrusted to their care.

(2) Establish, maintain, and practice effective management controls, and assess areas of risk.

(3) Identify and correct weaknesses in those controls, and promptly report the absence or ineffectiveness of controls as potential material weaknesses.

(4) Keep their chain of command informed on all management control related issues.

7. ADDITIONAL INSTRUCTIONS.

a. The USAG-AK MCA is Ms. Lisandra C. Ortiz, 384-1199, IMPC-FRA-RMM, e-mail lisandra.ortiz@us.army.mil.

b. Suggested changes to this policy statement should be furnished to the DRM.

c. File this policy statement with AR 11-2.

Encl
As

//Original Signed//
DAVID L. SHUTT
COL, AR
Commanding

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USAG-AK ASSESSABLE UNIT MANAGERS (AUMs)

Organization	Senior Functional Manager	Manager Level	Office
<u>Symbol</u>			
GC	Garrison Commander	COL	IMPC-FRA-ZA
FWA GC	FWA Garrison Commander	LTC	IMPC-FWA-ZA
DOL	Director of Logistics	GS-14	IMPC-FRA-LG
DPW	Director of Public Works	GS-15	IMPC-FRA-PW
DCA	Director of Morale, Welfare and Recreation	GS-14	IMPC-FRA-MW
DRM	Director of Resource Management	GS-14	IMPC-FRA-RMO
DPTMS	Plans, Training, Mobilization and Security	GS-14	IMPC-FRA-PL
CHAPLAIN	Chaplain	LTC	IMPC-FRA-RS
DES	Director of Emergency Services	LTC	IMPC-FRA-ESP
SJA	Staff Judge Advocate	GS-14	IMPC-FRA-RJA
PAO	Public Affairs Officer	GS-13	IMPC-FA-PA
IRO	Internal Review Office	GS-13	IMPC-FRA-IR
EEO	Equal Employment Opportunity Office	GS-12	IMPC-FWA-EEO
SAFETY	Safety Office	GS-12	IMPC-FRA-SO
DHR	Director of Human Resources	GS-13	IMPC-FRA-HR
PAIO	Plans, Analysis & Integration	GS-13	IMPC-FRA-PAI
ISIO	Installation Security and Intelligence Office	GS-12	IMPC-FRA-PLS

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Enclosure